

CHAPTER NO. 823

HOUSE BILL NO. 235

By Representatives Newton, Hargett, Sargent

Substituted for: Senate Bill No. 962

By Senator Kyle

AN ACT to amend Tennessee Code Annotated, Title 67, relative to taxation of leased personal property.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following language as a new section:

Section 67-6-388.

Notwithstanding the provisions of this chapter or any other law to the contrary, there shall be an exemption from sales and use tax otherwise imposed on the gross proceeds of motor vehicle leases for insurance proceeds paid pursuant to a damage settlement by an insurance company to the owner of a leased passenger motor vehicle where that vehicle has sustained damage that renders the vehicle a salvage vehicle, nonrepairable vehicle or flood vehicle, and the owner transfers title to such damaged vehicle to the insurance company.

SECTION 2. This act shall take effect upon becoming law, the public welfare requiring it.

PASSED: May 21, 2004


JIMMY RAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 7th day of June 2004


PHIL BREDESEN, GOVERNOR